

Insurance Department

State of Utah Title and Escrow Commission Meeting Meeting Information

Date: December 12, 2011 Time: 9:00 AM Place: East Bldg, Copper Room

MEMBERS

(Attendees = x)
COMMISSION MEMBERS

xChair, Dirk Keyes xJerry M. Houghton, *Tooele Cnty* xCo Chair, Cortlund G. Ashton, Salt Lake Cnty xKirk Donald Smith, Weber Cnty

DEPARTMENT STAFF

xPerri Babalis, *AG Counsel* xSuzette Green-Wright, *Dir.* xJilene Whitby, *PIO Recorder*

xBrett Barratt, *Deputy Comm.* Mark Kleinfield, *ALJ* Brad Tibbitts, *P&C Dir.* xTammy Greening, *Exam*

MINUTES

General Session: (Open to the Public)

- **Welcome** / Dirk Keyes, Chair 9:05 am
- Adopt Minutes of Previous Meeting

Cort made a motion to accept the minutes, Jerry seconded it, and the vote was unanimous.

• Motion by Jerry to move to Executive Session to discuss department and character issues, Larry seconded it and the vote was unanimous.

Executive Session – (Closed to the Public)

General Session – (Open to the public)

- Reports
 - o Concur with Licensee Report / Tammy

Kirk made a motion to concur with Licensing Report, Larry seconded it and the vote was unanimous.

- Concur with Complaint & Enforcement Reports / Suzette
 Jerry made a motion to concur with the Enforcement Report, Kirk seconded it and the vote was unanimous.
- Request for Attorney Exemption: None
 Dirk thanked Brett and the department for getting cleanup language into the bill.
- Administrative Proceedings Action
 - o Stipulation & Order: LSI Title Insurance Agency of Utah, Inc., Commission asked for Additional Information / ALJ

It was noted that Pete Stevens and Gale Lemmon who represent both sides of this case, issued letters regarding the judgment.

- Cort asked why investigation was not based on more than two violations. Tammy said she received more but all were based on the same issue.
- Cort asked for how many violations there were. Tammy said she was limited to two because that is all she received. She did not do a full scale audit. She reviewed the

annual and controlled business reports. Cort asked what it would take to broaden the investigation? Brett suggested perhaps the question should be, "Why didn't we do a full scope?" Pete said that the rule states you have to have licensed individual. LSI has that. You have to come up with a law that they are violating. You are introducing facts not in evidence.

Cort made a motion to table this item until the Commission talked with their counsel as
to what they could or could not do as a commission. Larry seconded it and the vote was
unanimous.

Old Business

- O Discuss Definition of Real Estate Escrow Settlements & Real Estate Closings
 Cort asked that this be deferred to the next agenda. Mr. Stevens has sent suggestions.
- Discussion & Vote to Decide Whether Title & Escrow Commission Should Provide a Position Statement Re: Report from the "Advisory Council on Optimizing & Streamlining State Government."

Jerry asked that this item be deferred to the next agenda. The question is, "Should escrow be moved to the Real Estate Division or be left with the Insurance Department? He felt escrow should remain under authority of the Insurance Department. ULTA also sent letter voicing similar support. Dwayne Phillips, lobbyists from ULTA recommended getting the word out and nipping this in the bud. Larry made a motion to have Jerry write a letter to this effect, Cort seconded it and the vote was unanimous.

Lt Governor's Response RE: Notary Issue / Dirk
 Commission members were given a copy of letter from Lt. Governor's office regarding our letter to them about unlicensed notaries. Put on January's agenda with Cort's name.

• New Business

- O Discussion of "Agency Supervision by Qualifying Owner or Manager Rule" / Dirk Definition should have been in the packet. Leave on agenda.
- Rule Defining "Minimum Mandatory Search for a Real Estate Transaction" / Suzette
 - Department received a letter from the Department of Administrative Rules (DAR) regarding rule required in HB19, line 2693, 31A-23a-406(8). Law allows 180 days to put rule into effect. This has not been done. A hearing will be held by DAR to learn why rule was not put into effect.
 - Jerry recapped what happened with subcommittee that met to come up with a proposed rule. There was no consensus. Agencies and underwriters differed in what they wanted. Brett suggested they have a plan as to when a rule might be available for a formal rulemaking process when they meet with DAR. Cort asked Jerry to attend the meeting.
 - Some don't think there should be a minimum. There have been no claims regarding search standards. It was noted that there is no need for a minimum standard when there is an insurance policy. Just require insurance be issued. Title plants in Utah have tract indexes. Anyone licensed has access to the records all the way back.
 - Leave on agenda. Input encouraged.
- Other Business Commission approved 2012 meeting schedule.
- **Adjourn:** 10:47
- Next Meeting: January 9, 2012, Spruce Room

2012 Meetings in Spruce Room

Jan 9	Feb 13	Mar 12	Apr 9	May 14	Jun 11
Jul 9	Aug 6	Sept 10	Oct 15	Nov 19	Dec 10